Setting up of export processing Zones

1054. SHRI PRITHIBI MAJHI: Will the Minister of COMMERCE be pleased to refer to the press report which appeared in 'Business Standard of February 5, 1989 on Export Processing Zones and state:

(a) whether it is a fact that the aims and objectives of setting up of Export Processing Zones were to encourage high technology and capital intensive projects;

(b) if so, how many projects have been set up which are not consistent with these objectives; and

(c) what steps are proposed to be taken to amend the rules and procedures so that the objectives of Export Processing Zones are not abused?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSHI): (a) and (b) The aims and objectives of Export Processing Zones include, *inter alia*:—

(i) Promotion of export oriented industries for earning foreign exchange.

(ii) Promotion of foreign investment upgradation of technology, establishment of high technology industries and generation of spin-off effects of ancillary industry development in the domestic tariff area.

(iii) Generation of employment and upgradation of skills within and outside the Zone. The approvals accorded for establishment of units in the Zone have been consistent with these aims and objectives.

(c) Does not arise.

Irregularities in sanctioning of loans

1055. SHRI VIRENDRA VERMA:

SHRI MOHINDER SINGH LATHER:

Will the Minister of FINANCE be pleased to state:

(a) in how many cases, if any, irregularities and gross misuse of authority in sanctioning loans indiscriminately to the beneficiaries through the loan melas by the nationalised banks have been detected till the end of December, 1988 stating the amount of loans involved and the percentage of the loans considered to be recoverable;

(b) whether any inquiry into the irregularities and indiscriminate sanctoning of loans has been made by Government; and

(c) if so, what is the outcome thereof stating the action taken/proposed to be taken by Government against the bank officials found guilty of misusing their authority in sanctioning the loans and also to review the loan mela programmes to identify deficiencies, if any, to check misuse of authority and to avoid losses?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (c) Public sector banks extend credit to weaker sections under various schemes and organise credit camps as part of their overall measures to enhance flow of cedit to these categories of borrowers. The banks observe the guidelines/Instructions issued by the Reserve Bank of India from time to time regarding eligibility criteria, project appraisal and post sanction supervision as also recovery procedure etc., for all loans given by them whether at credit camps or otherwise. Central monitoring of the number of cases sanctioned and